

**PRICE OPTIMIZATION SYSTEM****ABSTRACT**

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A method for determining a preferred set of prices for a plurality of products is provided. Generally, a sales model is created. A cost model is also created. A preferred set of prices for the plurality of products based on the sales model and cost model is then generated.

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An apparatus for computing a preferred set of prices for a plurality of products is provided. An econometric engine for modeling sales as a function of price to create a sales model is provided. A financial model engine for modeling costs to create a cost model is provided. An optimization engine is coupled to the econometric engine and financial model engine to receive input from the econometric engine and financial model engine, wherein the optimization engine generates the preferred set of prices.

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